

# NASS

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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

**\*Wheat.** All wheat production totaled 2.32 billion bushels, up less than 1% from the September forecast and down 9% from 1998. The U.S. average yield is 42.7 bushels per acre, down half a bushel from last year's record high. All Wheat in all storage positions September 1 was estimated at 2.46 billion bushels, up 3% from a year ago and the highest September 1 level since the 1987-88 marketing year. The projected price range for 1999/2000 is \$2.45 to \$2.65 per bushel, compared with \$2.65 for the 1998 crop.

**\*Corn.** The October forecast for 1999 corn production is 9.47 billion bushels, up 1% from the last forecast but down 3% from last year. Based on October 1 conditions, yields are expected to average 133.5 bushels per acre, up 1.3 bushels from last month but down 0.9 bushels from a year ago. Old crop corn stocks in all positions on September 1 totaled 1.80 billion bushels, up 37% from a year ago. A market year average price between \$1.65 and \$2.05 a bushel is expected, compared to \$1.95 for the 1998 crop.

**\*Soybeans.** The 1999 soybean crop is forecasted at 2.70 billion bushels, down 3% from September 1, and down 2% from last year's record of 2.74 billion bushels. The yield forecast, at 37.0 bushels per acre, decreased 0.9 bushels from last month and is 1.9 bushels below the 1998 final yield. A market year average price is projected between \$4.75 and \$5.25 per bushel, compared to \$5.02 for the 1998 crop year.

**\*Cotton.** Sharply lower production highlights this month's U.S. cotton estimates for 1999. The U.S. cotton production is forecasted at 16.4 million 480-pound bales, down 6% from last month, but up 18% from last year. Yield is expected to average 588 pounds per harvested acre, down 37 pounds from last year. Missouri, North Carolina, Tennessee, and Oklahoma's upland harvested acreage were all revised downward, while Arkansas' acreage was increased.

**\*All Rice.** U.S. rice production is forecast at a record high 212 million cwt, up slightly from September 1 and 13% above 1998. The market year average price is expected to average between \$5.75 and \$6.25 per cwt compared to \$8.83 per cwt for the 1998/99 crop.

**\*Other Crops.** **Durum Wheat** production, at 110 million bushels, is down slightly from last month and 20% from last year. **Other Spring Wheat** production is estimated at 509 million bushels, up fractionally from a month ago, but down 4% from a year ago. **Grain Sorghum** production is forecast at 580 million bushels, virtually unchanged from the September forecast but 12% higher than the 1998 total. **Barley** production is estimated at 284 million bushels, 1% higher than September, but down 19% from 1998. The **peanut crop** is expected to be down 4% from last year, and **all tobacco** production down 14% from last year.

**\*Cattle.** October 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more head totaled 10.27 million, up 5% from a year earlier. September placements were up 4% from the previous year. Marketings of fed cattle were 5% above 1998. At mid-October, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$70 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$80 per cwt in mid-October, up \$2 from mid-September.

**\*Hogs.** Hog slaughter during September was up 1% from last year. During the first two weeks of October slaughter has been running about even with a year ago. Prices at mid-October (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$35 per cwt, up \$2 from mid-September. Fourth quarter prices are expected to average \$30 per cwt.

**\*Other Livestock.** September **milk production** was up 5.3% from the previous year. Production per cow increased 4.5%; however, the number of cows was only up slightly from September 1998. The September **Basic Formula Price (BFP)** was \$16.26 per cwt, up 47 cents from August. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) decreased 9.4 cents for the first week of October and 8.4 cents for the second week. This suggests that the October BFP will be down. During August, total **cheese** production was 8.0% above the previous year; **butter** production was up 4.0%; and **nonfat dry milk** production was up 21.8%. **Sheep** slaughter for September totaled 307 thousand head, slightly above last year. The average live weight was 127 pounds, up 2 pounds from a year ago. US table **egg production** totaled 5.79 billion during September, up 6% from 1998. Wholesale market **egg prices** for the fourth

quarter of 1999 (Grade A large, New York) are expected to average 74-76 cents per dozen compared with 81.7 cents a year ago. First quarter 2000 egg prices are expected to average 68-72 cents per dozen compared with 75.0 cents a year ago. **Broiler-Type Eggs** in Incubators on October 1 totaled 587 million, 1% more than last year. **Broiler-Type Hatch** for September 1999 was 700 million, 1% above a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 1999 is expected to be 56-58 cents compared to 64.5 cents for the fourth quarter of last year. First quarter 2000 broiler prices are expected to average 52-56 cents per pound compared with 58.1 cents for a year earlier. Cumulative **turkey poult placements** for the 1999 marketing year through August were 295 million, 3% less than the same period a year ago. Placements in September, at 21.8 million, were 3% more than last September. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 1999 are expected to be in the 76-80 cent range compared with 71.2 cents for the fourth quarter last year. Turkey prices for the first quarter of 2000 are expected to average 63-67 cents per pound compared with the 59.4 cents average for the first quarter of 1999. **Supplies in refrigerated warehouses** at the end of September compared with a year earlier were: total chicken, up 61; turkey, down 14; pork, up 11; beef, down 10; and frozen orange juice, down 19%.

**\*Trade.** October U.S. **trade projections** for corn and broilers improved while 1999/2000 export prospects for rice, soybeans, cotton, and beef declined from last month. Wheat, pork, and turkeys were unchanged from September. October projections for the volume of exports for the 1999/2000 marketing year compared to 1998/1999 are: **wheat** up 8%; **corn** down 3%; **rice** down 2%; **soybeans** up 8%; **soybean meal** up 6%; **soybean oil** down 17%; and **cotton** up 27%. October projections for the volume of meat exports in calendar 2000 compared to 1999 are: **beef** down 4%; **pork** down 5%; **broilers** up 1%; and **turkeys** up 3%. The U.S. **trade** deficit for goods and services decreased to \$24.1 billion in August, from a revised \$24.9 billion in July. The U.S. **agricultural trade** surplus was \$959.4 million in August, compared with \$819.0 million in July.

**\*Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.5% in September and has increased 2.6% over the last 12 months. The **PPI** increased 1.1% in September. This followed an increase of 0.5% in August. For the 12-month period ending in September, the PPI increased 3.2%. The September **prime rate**, averaging 8.25%, was up from 8.06% in August. Compared to a year earlier, **feed** prices in September were down 3%; **feeder livestock and poultry** prices up 17%; **fertilizer** down 6%; **ag chemicals** up 7%; **farm machinery** up 1%; **seeds** down 2%; and **fuels** up 27%.

**\*World Weather and Crop Developments** (October 10-16). In the **United States**, harvest progress was limited by heavy rainfall in parts of the Southeast, but advanced with few rain delays in most other regions. In the Corn Belt and Great Plains, farmers rapidly prepared fields and planted winter wheat. Warm weather promoted wheat emergence and aided early growth in the eastern Corn Belt and central Great Plains. Soil moisture levels were mostly adequate in the Corn Belt early in the week, but diminished as the week progressed. In the Great Plains, some wheat fields emerged with uneven stands due to dry soils. Dry weather in southern **England**, **northern France**, **Germany**, and the **Benelux** countries aided summer crop harvesting and winter grain planting. Farther east, occasional showers in **Poland** and **Slovakia** boosted topsoil moisture for germinating winter wheat. In contrast, dry weather dominated the remainder of eastern Europe, helping summer crop harvesting. In **Russia**, light to moderate rain with local amounts in excess of 50 mm fell in chronically dry areas of southern Russia, boosting topsoil moisture for winter wheat germination. Although this past week's rain improved emergence prospects, additional rain and seasonable temperatures will be needed during the next several weeks to ensure crops are well established prior to dormancy. The precipitation in southern Russia caused only brief interruptions in summer crop harvesting in the lower Volga and the northern tip of the North Caucasus. In **Ukraine**, light to moderate showers maintained favorable moisture conditions for winter wheat in the west and eased unfavorable dryness in the east. Drier weather aided winter wheat planting and summer crop harvesting across the **North China Plain**. Mostly dry, warm weather aided late double-crop rice maturation across **southern China**. Early in the week, the remnants of Typhoon Dan brought unseasonably heavy rains to **South Korea**, slowing rice harvesting and causing flooding. Highly beneficial rain covered primary winter grain areas of **South Australia**. The rainfall brought relief to winter wheat and barley following recent bouts with heat and dryness. In southern **Brazil**, heavy showers slowed soybean planting in northwestern Rio Grande do Sul and western Santa Catarina. Farther north in Mato Grosso do Sul, northern Parana, Sao Paulo, and Minas Gerais, hot, dry weather hampered soybean planting. During the past 4 weeks, rainfall has averaged 30 to 50% of normal across these Brazilian states. Heavy showers exacerbated flooding in southern **Mexico**. Drier weather eased flooding in northern Veracruz and Puebla. Dry weather continued to aid corn maturation and harvesting in the Southern Plateau. Drier weather also eased flooding in Central America.

**\*Other News.** In analyzing farming practices that support successful **small farms**, USDA's Economic Research Service focused on small-scale farms (sales under \$250,000), where farming is the primary occupation of the operator, ranking the farms' success by returns to assets and operating expense ratios. The analysis found that top-performing farms are more likely than the lowest-performing farms to apply three critical management practices: using production strategies that control costs, actively marketing their products, and adopting effective financial strategies such as maintaining cash and credit reserves. The U.S. **cotton** crop is projected to rebound from 1998's decade-low output, but prospects of potential earnings from the larger output are dampened by weak demand and rising stocks. Sluggish U.S. cotton mill demand is the result of persistent competition from manmade fibers and double-digit growth in imports of textile and apparel products. While higher foreign demand will support increased U.S. exports, China's net exports of cotton are trending upwards and, as a result, world prices have been lower.

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